

Senator Wayne L. Niederhauser proposes the following substitute bill:

AMENDMENTS TO TRANSPORTATION

PROVISIONS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends provisions relating to transportation.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ renames the Public Transportation System Tax Highway Fund as the County of the First Class State Highway Projects Fund and requires fund monies to be used to pay debt service and bond issuance costs for certain general obligation bonds;
- ▶ provides that the following shall be deposited in the County of the First Class State Highway Projects Fund:
 - a portion of the local corridor preservation fee imposed in a county of the first class; and
 - a portion of the Public Transit Tax revenue in a county of the first class;
- ▶ authorizes issuance of \$100,000,000 general obligation bonds to pay all or part of the cost of acquiring rights-of-way and constructing a highway construction project within the Mountain View Corridor;
- ▶ exempts the general obligation bonds from certain debt limitation provisions;



26 ▶ authorizes the Department of Transportation to spend revenues deposited in the
27 Transportation Corridor Preservation Revolving Loan Fund on administrative costs
28 for transportation corridor preservation;

29 ▶ restricts the use of the Local Transportation Corridor Preservation Fund revenue to
30 preserve highway corridors that are rights-of-way for certain highways;

31 ▶ provides that local revenues from a county of the first class that are deposited in the
32 County of the First Class State Highway Projects shall be considered a local
33 matching contribution; and

34 ▶ makes technical changes.

35 **Monies Appropriated in this Bill:**

36 None

37 **Other Special Clauses:**

38 This bill takes effect on July 1, 2007.

39 **Utah Code Sections Affected:**

40 **AMENDS:**

41 **41-1a-1222**, as enacted by Chapter 284, Laws of Utah 2005

42 **59-12-502**, as last amended by Chapters 253 and 329, Laws of Utah 2006

43 **59-12-1703**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session

44 **63-38c-402**, as last amended by Chapters 308 and 318, Laws of Utah 2004

45 **72-2-117**, as last amended by Chapter 284, Laws of Utah 2005

46 **72-2-117.5**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

47 **72-2-121**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

48 **ENACTS:**

49 **63B-16-101**, Utah Code Annotated 1953

50

51 *Be it enacted by the Legislature of the state of Utah:*

52 Section 1. Section **41-1a-1222** is amended to read:

53 **41-1a-1222. Local option transportation corridor preservation fee -- Exemptions**
54 **-- Deposit -- County ordinance -- Notice.**

55 (1) (a) (i) A county legislative body may impose a local option transportation corridor
56 preservation fee of up to \$10 on each motor vehicle registration within the county.

(ii) A fee imposed under Subsection (1)(a)(i) shall be set in whole dollar increments.

(b) If imposed under Subsection (1)(a), at the time application is made for registration or renewal of registration of a motor vehicle under this chapter, the applicant shall pay the local option transportation corridor preservation fee established by the county legislative body.

(c) A motor vehicle that is exempt from the registration fee under Section 41-1a-1209 or Subsection 41-1a-419(3) is also exempt from the local option transportation corridor preservation fee required by this section.

(d) A commercial motor vehicle with an apportioned registration under Section 41-1a-301 is exempt from the local option transportation corridor preservation fee required by this section.

(2) ~~[The]~~ (a) Except as provided in Subsection (2)(b), the revenue generated under this section shall be:

~~[(a)]~~ (i) deposited in the Local Transportation Corridor Preservation Fund created in Section 72-2-117.5;

~~[(b)]~~ (ii) credited to the county from which it is generated; and

~~[(c)]~~ (iii) used and distributed in accordance with Section 72-2-117.5.

(b) Seventy percent of the revenue generated by a fee imposed under this section in a county of the first class shall be:

(i) deposited in the County of the First Class State Highway Projects Fund created in Section 72-2-121; and

(ii) used in accordance with Section 72-2-121.

(3) To impose or change the amount of a fee under this section, the county legislative body shall pass an ordinance:

(a) approving the fee;

(b) setting the amount of the fee; and

(c) providing an effective date for the fee as provided in Subsection (4).

(4) (a) If a county legislative body enacts, changes, or repeals a fee under this section, the enactment, change, or repeal shall take effect on July 1 if the commission receives notice meeting the requirements of Subsection (4)(b) from the county prior to April 1.

(b) The notice described in Subsection (4)(a) shall:

(i) state that the county will enact, change, or repeal a fee under this part;

(ii) include a copy of the ordinance imposing the fee; and
(iii) if the county enacts or changes the fee under this section, state the amount of the fee.

Section 2. Section **59-12-502** is amended to read:

59-12-502. Additional public transit tax for expanded system and fixed guideway and interstate improvements -- Base -- Rate -- Voter approval.

(1) (a) (i) In addition to other sales and use taxes, including the public transit district tax authorized by Section 59-12-501, a county, city, or town within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town, to fund a fixed guideway and expanded public transportation system.

(ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax under this section on:

(A) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

(B) any amounts paid or charged by a seller that collects a tax under Subsection 59-12-107(1)(b).

(b) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Section 59-12-207.

(c) (i) A county, city, or town may impose the tax under this section only if the governing body of the county, city, or town submits, by resolution, the proposal to all the qualified voters within the county, city, or town for approval at a general or special election conducted in the manner provided by statute.

(ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city, or town governing body 15 days in advance in the manner prescribed by statute.

(2) If the majority of the voters voting in this election approve the proposal, it shall become effective on the date provided by the county, city, or town governing body.

(3) (a) This section may not be construed to require an election in jurisdictions where voters have previously approved a public transit sales or use tax.

(b) This section shall be construed to require an election to impose the sales and use tax authorized by this section, including jurisdictions where the voters have previously

approved the sales and use tax authorized by Section 59-12-501, but this section may not be construed to affect the sales and use tax authorized by Section 59-12-501.

(4) No public funds shall be spent to promote the required election.

(5) (a) Notwithstanding the designated use of revenues in Subsection (1), of the revenues generated by the tax imposed under this section by any county of the first class:

(i) 75% shall be allocated to fund a fixed guideway and expanded public transportation system; and

(ii) ~~[except as provided in Subsection (5)(b);]~~ 25% shall be ~~[allocated to fund new construction, major renovations, and improvements to Interstate 15 and state highways within the county and to pay any debt service and bond issuance costs related to those projects]~~ deposited into the County of the First Class State Highway Projects Fund created by Section 72-2-121.

~~[(b) Notwithstanding the designated use of revenues in Subsection (1), beginning on July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to reconfiguring railroad curves within that county to reduce rail congestion.]~~

~~[(6) A county of the first class may, through an interlocal agreement, authorize the deposit or transfer of the portion of the revenues described in Subsection (5)(a)(ii) to the Public Transportation System Tax Highway Fund created in Section 72-2-121.]~~

Section 3. Section **59-12-1703** is amended to read:

59-12-1703. Opinion question election -- Base -- Rate -- Imposition of tax -- Use of tax revenues -- Administration, collection, and enforcement of tax by commission -- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.

(1) (a) Beginning on or after April 1, 2007, and subject to the other provisions of this part, a county legislative body may impose a sales and use tax of up to .25%:

(i) on the transactions:

(A) described in Subsection 59-12-103(1); and

(B) within the county, including the cities and towns within the county;

(ii) for the purposes described in Subsection (4); and

(iii) in addition to any other sales and use tax authorized under this chapter.

(b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a

150 tax under this section on:

151 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
152 are exempt from taxation under Section 59-12-104; or

153 (ii) any amounts paid or charged by a seller that collects a tax under Subsection
154 59-12-107(1)(b).

155 (c) For purposes of this Subsection (1), the location of a transaction shall be
156 determined in accordance with Section 59-12-207.

157 (2) (a) Except as provided in Subsection (2)(d), before imposing a tax under this part, a
158 county legislative body shall:

159 (i) obtain approval from a majority of the members of the county legislative body to
160 impose the tax; and

161 (ii) submit an opinion question to the county's registered voters voting on the
162 imposition of the tax so that each registered voter has the opportunity to express the registered
163 voter's opinion on whether a tax should be imposed under this part.

164 (b) (i) In a county of the first or second class, the opinion question required by
165 Subsection (2)(a)(ii) shall state the following:

166 "Shall (insert the name of the county), Utah, be authorized to impose a (insert the
167 amount of the sales and use tax up to .25%) sales and use tax for corridor preservation,
168 congestion mitigation, or to expand capacity for regionally significant transportation facilities?"

169 (ii) In a county of the third, fourth, fifth, or sixth class, the opinion question required by
170 Subsection (2)(a)(ii) shall state the following:

171 "Shall (insert the name of the county), Utah, be authorized to impose a (insert the
172 amount of the sales and use tax up to .25%) sales and use tax for transportation projects,
173 corridor preservation, congestion mitigation, or to expand capacity for regionally significant
174 transportation facilities?"

175 (c) Except as provided in Subsection (2)(d), the election required by this Subsection (2)
176 shall be held:

177 (i) at a regular general election conducted in accordance with the procedures and
178 requirements of Title 20A, Election Code, governing regular elections; or

179 (ii) at a special election called by the county legislative body that is:

180 (A) held only on the date of a municipal general election as provided in Subsection

20A-1-202(1); and

(B) authorized in accordance with the procedures and requirements of Section 20A-1-203.

(d) Notwithstanding Subsection (2)(a) or (c), if a county seeks to impose a tax under this part on or after April 1, 2007, but on or before December 31, 2007, the county legislative body shall:

(i) obtain the approval required by Subsection (2)(a)(i) within five calendar days of September 20, 2006;

(ii) direct the county clerk to submit the opinion question required by Subsection (2)(a)(ii) during the November 7, 2006 general election; and

(iii) hold the election required by this section on November 7, 2006.

(3) If a county legislative body determines that a majority of the county's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax in accordance with Subsection (2), the county legislative body shall impose the tax in accordance with this section.

(4) (a) Subject to Subsections (5) and (6), the revenues generated by a tax under this part may only be expended for:

(i) a project or service:

(A) relating to a regionally significant transportation facility;

(B) for the portion of the project or service that is performed within the county;

(C) for new capacity or congestion mitigation if the project or service is performed within a county:

(I) of the first class;

(II) of the second class; or

(III) that is part of an area metropolitan planning organization;

(D) (I) if the project or service is a principal arterial highway or a minor arterial highway in a county of the first or second class, that is part of the county and municipal master plan and part of:

(Aa) the statewide long-range plan; or

(Bb) the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(II) if the project or service is for a fixed guideway or an airport, that is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; and

(E) that is on a priority list:

(I) created by the county's council of governments in accordance with Subsection (5); and

(II) approved by the county legislative body in accordance with Subsection (6);

(ii) corridor preservation for a project described in Subsection (4)(a)(i) as provided in Subsection (7)(b); or

(iii) any debt service and bond issuance costs related to a project described in Subsection (4)(a)(i) or (ii).

(b) In a county of the first or second class, a regionally significant transportation facility project or service described in Subsection (4)(a)(i)(A) must have a funded year priority designation on a Statewide Transportation Improvement Program and Transportation Improvement Program if the project or service described in Subsection (4)(a)(i) is:

(i) a principal arterial highway as defined in Section 72-4-102.5;

(ii) a minor arterial highway as defined in Section 72-4-102.5; or

(iii) a major collector highway:

(A) as defined in Section 72-4-102.5; and

(B) in a rural area.

(c) Notwithstanding the designated use of revenues in Subsection (4)(a), of the revenues generated by the tax imposed under this section by any county of the first or second class, 25% or more shall be expended for the purpose described in Subsection (4)(a)(ii).

(d) For purposes of this Subsection (4), the revenues a county will receive from a tax under this part do not include amounts retained by the commission in accordance with Subsection (8).

(5) (a) The county's council of governments shall create a priority list of regionally significant transportation facility projects described in Subsection (4)(a) using the process described in Subsection (5)(b) and present the priority list to the county's legislative body for approval as described in Subsection (6).

(b) Subject to Sections 59-12-1704 and 59-12-1705, a council of governments shall

establish a council of governments' endorsement process which includes prioritization and application procedures for use of the revenues a county will receive from a tax under this part.

(6) (a) The council of governments shall submit the priority list described in Subsection (5) to the county's legislative body and obtain approval of the list from a majority of the members of the county legislative body.

(b) A county's council of governments may only submit one priority list per calendar year.

(c) A county legislative body may only consider and approve one priority list per calendar year.

(7) (a) (i) Except as provided in Subsections (7)(a)(ii) and (7)(b), revenues described in Subsection (4) shall be transmitted:

(A) by the commission;

(B) to the county;

(C) monthly; and

(D) by electronic funds transfer.

(ii) A county may request that the commission transfer a portion of the revenues described in Subsection (4):

(A) directly to a public transit district:

(I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

(II) designated by the county; and

(B) by providing written notice to the commission:

(I) requesting the revenues to be transferred directly to a public transit district as provided in Subsection (7)(a)(ii)(A); and

(II) designating the public transit district to which the revenues are requested to be transferred.

(b) (i) Except as provided in Subsection (7)(b)(ii), revenues generated by a tax under this part that are allocated for a purpose described in Subsection (4)(a)(ii) shall be:

(A) deposited in or transferred to the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; and

(B) expended as provided in Section 72-2-117.5.

(ii) In a county of the first class, revenues generated by a tax under this part that are

allocated for a purpose described in Subsection (4)(a)(ii) shall be:

(A) deposited in or transferred to the [~~Public Transportation System Tax Highway~~
County of the First Class State Highway Projects Fund created by Section 72-2-121; and

(B) expended as provided in Section 72-2-121.

(8) (a) (i) Except as provided in Subsection (8)(b), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) A tax under this part is not subject to Subsections 59-12-205(2) through (7).

(b) (i) The commission may retain an amount of tax collected under this part of not to exceed the lesser of:

(A) 1.5%; or

(B) an amount equal to the cost to the commission of administering this part.

(ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:

(A) placed in the Sales and Use Tax Administrative Fees Account; and

(B) used as provided in Subsection 59-12-206(2).

(9) (a) (i) Except as provided in Subsection (9)(b) or (c), if, on or after April 1, 2007, a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(a)(ii) from the county.

(ii) The notice described in Subsection (9)(a)(i)(B) shall state:

(A) that the county will enact, repeal, or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(a)(ii)(A), the rate of the tax.

(b) (i) For a transaction described in Subsection (9)(b)(iii), if the billing period for the

transaction begins before the effective date of the enactment of the tax or tax rate increase under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) For a transaction described in Subsection (9)(b)(iii), if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(iii) Subsections (9)(b)(i) and (ii) apply to transactions subject to a tax under:

- (A) Subsection 59-12-103(1)(b);
- (B) Subsection 59-12-103(1)(c);
- (C) Subsection 59-12-103(1)(d);
- (D) Subsection 59-12-103(1)(e);
- (E) Subsection 59-12-103(1)(f);
- (F) Subsection 59-12-103(1)(g);
- (G) Subsection 59-12-103(1)(h);
- (H) Subsection 59-12-103(1)(i);
- (I) Subsection 59-12-103(1)(j); or
- (J) Subsection 59-12-103(1)(k).

(c) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (9)(a)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (9)(a)(i).

(ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(d) (i) Except as provided in Subsection (9)(e) or (f), if, for an annexation that occurs on or after April 1, 2007, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take

336 effect:

337 (A) on the first day of a calendar quarter; and

338 (B) after a 90-day period beginning on the date the commission receives notice meeting
339 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

340 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

341 (A) that the annexation described in Subsection (9)(d)(i)(B) will result in an enactment,
342 repeal, or change in the rate of a tax under this part for the annexing area;

343 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

344 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

345 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
346 (9)(d)(ii)(A), the rate of the tax.

347 (e) (i) For a transaction described in Subsection (9)(e)(iii), if the billing period for the
348 transaction begins before the effective date of the enactment of the tax or a tax rate increase
349 under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first
350 day of the first billing period that begins after the effective date of the enactment of the tax or
351 the tax rate increase.

352 (ii) For a transaction described in Subsection (9)(e)(iii), if the billing period for the
353 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
354 imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the
355 first day of the last billing period that began before the effective date of the repeal of the tax or
356 the tax rate decrease.

357 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

358 (A) Subsection 59-12-103(1)(b);

359 (B) Subsection 59-12-103(1)(c);

360 (C) Subsection 59-12-103(1)(d);

361 (D) Subsection 59-12-103(1)(e);

362 (E) Subsection 59-12-103(1)(f);

363 (F) Subsection 59-12-103(1)(g);

364 (G) Subsection 59-12-103(1)(h);

365 (H) Subsection 59-12-103(1)(i);

366 (I) Subsection 59-12-103(1)(j); or

(J) Subsection 59-12-103(1)(k).

(f) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (9)(d)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate under Subsection (9)(d)(i).

(ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 4. Section **63-38c-402** is amended to read:

63-38c-402. Debt limitation -- Vote requirement needed to exceed limitation -- Exceptions.

(1) (a) Except as provided in Subsection (1)(b), the outstanding general obligation debt of the state may not exceed 45% of the maximum allowable appropriations limit unless approved by more than a two-thirds vote of both houses of the Legislature.

(b) Notwithstanding the limitation contained in Subsection (1)(a), debt issued under the authority of the following parts or sections is not subject to the debt limitation established by this section:

(i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond Authorization;

(ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization;

(iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond Authorization;

(iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note Authorization;

(v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond Authorization;

(vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note Authorization;

(vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;

(viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bond;

(ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond
Anticipation Notes;
(x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bond for Salt
Lake County;
(xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond
Anticipation Notes for Salt Lake County Authorization; [and]
(xii) Section 63B-13-102[-]; and
(xiii) Section 63B-16-101.

(2) This section does not apply if contractual rights will be impaired.
Section 5. Section **63B-16-101** is enacted to read:

Part 1. 2007 General Bond Obligations

63B-16-101. Highway bonds -- Maximum amount -- Projects authorized.

(1) (a) The total amount of bonds issued under this section may not exceed
\$100,000,000.

(b) When the Department of Transportation certifies to the commission the amount of
bond proceeds that it needs to provide funding for the highway construction project described
in Subsection (2) for the next fiscal year, the commission may issue and sell general obligation
bonds in an amount equal to the certified amount plus costs of issuance.

(2) (a) As used in this Subsection (2), "Mountain View Corridor" means the land area
of Salt Lake County running from Interstate 80 south between SR-154 and SR-111 to 12600
South and then south and southeasterly to the northern portion of Utah County west of SR-15.

(b) Proceeds from the issuance of bonds shall be provided to the Department of
Transportation to pay for the costs of acquiring rights-of-way and constructing a highway
construction project within the Mountain View Corridor.

(c) The Department of Transportation shall use bond proceeds to pay for the portion of
the highway construction project described in Subsection (2) that is located in Salt Lake
County.

(d) The costs under this Subsection (2) may include the cost of acquiring land, interests
in land, easements and rights-of-way, improving sites, and making all improvements necessary,
incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the
period to be covered by construction of the projects plus a period of six months after the end of

the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(3) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(4) The Department of Transportation may enter into agreements related to the project before the receipt of proceeds of bonds issued under this chapter.

Section 6. Section **72-2-117** is amended to read:

**72-2-117. Transportation Corridor Preservation Revolving Loan Fund --
Distribution -- Repayment -- Rulemaking.**

(1) There is created the Transportation Corridor Preservation Revolving Loan Fund within the Transportation Fund.

(2) The fund shall be funded from the following sources:

(a) motor vehicle rental tax imposed under Section 59-12-1201;

(b) appropriations made to the fund by the Legislature;

(c) contributions from other public and private sources for deposit into the fund;

(d) interest earnings on cash balances;

(e) all monies collected for repayments and interest on fund monies;

(f) all monies collected from rents and sales of real property acquired with fund monies; and

(g) proceeds from general obligation bonds, revenue bonds, or other obligations as authorized by Title 63B, Bonds.

(3) All monies appropriated to the Transportation Corridor Preservation Revolving Loan Fund are nonlapsing.

(4) (a) The commission shall authorize the expenditure of fund monies to allow the department to acquire real property or any interests in real property for state, county, and municipal transportation corridors subject to:

(i) monies available in the fund;

(ii) rules made under Subsection (7); and

(iii) Subsection (9).

(b) Fund monies may be used to pay interest on debts incurred in accordance with this section.

(5) Administrative costs [~~of the Transportation Corridor Preservation Revolving Loan Fund~~] for transportation corridor preservation shall be paid from the fund.

(6) The department:

(a) may apply to the commission under this section for monies from the Transportation Corridor Preservation Revolving Loan Fund for a specified transportation corridor project, including for county and municipal projects; and

(b) shall repay the fund monies authorized for the project to the fund as required under Subsection (7).

(7) The commission shall:

(a) administer the Transportation Corridor Preservation Revolving Loan Fund to:

(i) preserve transportation corridors;

(ii) promote long-term statewide transportation planning;

(iii) save on acquisition costs; and

(iv) promote the best interests of the state in a manner which minimizes impact on prime agricultural land;

(b) prioritize fund monies based on considerations, including:

(i) areas with rapidly expanding population;

(ii) the willingness of local governments to complete studies and impact statements that meet department standards;

(iii) the preservation of corridors by the use of local planning and zoning processes;

(iv) the availability of other public and private matching funds for a project; and

(v) the cost-effectiveness of the preservation projects;

(c) designate high priority corridor preservation projects in cooperation with a metropolitan planning organization;

(d) administer the program for the purposes provided in this section;

(e) prioritize fund monies in accordance with this section; and

(f) make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, establishing:

(i) the procedures for the awarding of fund monies;

(ii) the procedures for the department to apply for transportation corridor preservation monies for projects; and

491 (iii) repayment conditions of the monies to the fund from the specified project funds.

492 (8) (a) The proceeds from any bonds or other obligations secured by revenues of the
493 Transportation Corridor Preservation Revolving Loan Fund shall be used for:

494 (i) the acquisition of real property in hardship cases; and

495 (ii) any of the purposes authorized for funds in the Transportation Corridor
496 Preservation Revolving Loan Fund under this section.

497 (b) The commission shall pledge the necessary part of the revenues of the
498 Transportation Corridor Preservation Revolving Loan Fund to the payment of principal of and
499 interest on the bonds or other obligations.

500 (9) (a) The department may not apply for monies under this section unless the highway
501 authority has an access management policy or ordinance in effect that meets the requirements
502 under Subsection (9)(b).

503 (b) The access management policy or ordinance shall:

504 (i) be for the purpose of balancing the need for reasonable access to land uses with the
505 need to preserve the smooth flow of traffic on the highway system in terms of safety, capacity,
506 and speed; and

507 (ii) include provisions:

508 (A) limiting the number of conflict points at driveway locations;

509 (B) separating conflict areas;

510 (C) reducing the interference of through traffic;

511 (D) spacing at-grade signalized intersections; and

512 (E) providing for adequate on-site circulation and storage.

513 (c) The department shall develop a model access management policy or ordinance that
514 meets the requirements of this Subsection (9) for the benefit of a county or municipality under
515 this section.

516 (10) (a) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
517 Act, the commission shall make rules establishing a corridor preservation advisory council.

518 (b) The corridor preservation advisory council shall:

519 (i) assist with and help coordinate the corridor preservation efforts of the department
520 and local governments;

521 (ii) provide recommendations and priorities concerning corridor preservation and the

use of fund monies to the department and to the commission; and

(iii) include members designated by each metropolitan planning organization in the state to represent local governments that are involved with corridor preservation through official maps and planning.

Section 7. Section **72-2-117.5** is amended to read:

72-2-117.5. Local Transportation Corridor Preservation Fund -- Distribution.

(1) As used in this section:

(a) "Council of governments" means a decision-making body in each county composed of the county governing body and the mayors of each municipality in the county.

(b) "Metropolitan planning organization" has the same meaning as defined in Section 72-1-208.5.

(2) There is created the Local Transportation Corridor Preservation Fund within the Transportation Fund.

(3) The fund shall be funded from the following sources:

(a) a local option transportation corridor preservation fee imposed under Section 41-1a-1222;

(b) appropriations made to the fund by the Legislature;

(c) contributions from other public and private sources for deposit into the fund;

(d) interest earnings on cash balances;

(e) all monies collected from rents and sales of real property acquired with fund monies;

(f) proceeds from general obligation bonds, revenue bonds, or other obligations issued as authorized by Title 63B, Bonds; and

(g) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii) and required by Subsection 59-12-1703(7)(b)(i) to be deposited into the fund.

(4) (a) All monies appropriated to the Local Transportation Corridor Preservation Fund are nonlapsing.

(b) The State Tax Commission shall provide the department with sufficient data for the department to allocate the revenues:

(i) provided under Subsection (3)(a) to each county imposing a local option transportation corridor preservation fee under Section 41-1a-1222; and

(ii) provided under Subsection 59-12-1703(4)(a)(ii) to each county imposing a county option sales and use tax for transportation.

(c) The monies allocated under Subsection (4)(b):

(i) shall be used for the purposes provided in this section for each county; and

(ii) are allocated to each county as provided in this section:

(A) with the condition that the state will not be charged for any asset purchased with the monies allocated under Subsection (4)(b); and

(B) are considered a local matching contribution for the purposes described under Section 72-2-123 if used on a state highway.

(d) Administrative costs of the department to implement this section shall be paid from the fund.

(5) (a) The department shall authorize the expenditure of fund monies to allow a highway authority to acquire real property or any interests in real property for state, county, and municipal transportation corridors subject to:

(i) monies available in the fund to each county under Subsection (4)(b); and

(ii) the provisions of this section.

(b) Fund monies may be used to pay interest on debts incurred in accordance with this section.

(c) (i) (A) Fund monies may be used to pay maintenance costs of properties acquired under this section but limited to a total of 5% of the purchase price of the property.

(B) Any additional maintenance cost shall be paid from funds other than under this section.

(C) Revenue generated by any property acquired under this section is excluded from the limitations under this Subsection (5)(c)(i).

(ii) Fund monies may be used to pay direct costs of acquisition of properties acquired under this section.

(d) Fund monies allocated under Subsection (4)(b) may be used by a county highway authority for countywide transportation planning if:

(i) the county is not included in a metropolitan planning organization;

(ii) the transportation planning is part of the county's continuing, cooperative, and comprehensive process for transportation planning, corridor preservation, right-of-way

acquisition, and project programming;

(iii) no more than four years allocation every 20 years to each county is used for transportation planning under this Subsection (5)(d); and

(iv) the county otherwise qualifies to use the fund monies as provided under this section.

(e) (i) Fund monies allocated under Subsection (4)(b) may be used by a county highway authority for transportation corridor planning that is part of the corridor elements of an ongoing work program of transportation projects.

(ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the direction of:

(A) the metropolitan planning organization if the county is within the boundaries of a metropolitan planning organization; or

(B) the department if the county is not within the boundaries of a metropolitan planning organization.

(6) (a) (i) The Local Transportation Corridor Preservation Fund shall be used to preserve transportation corridors, promote long-term statewide transportation planning, save on acquisition costs, and promote the best interests of the state in a manner which minimizes impact on prime agricultural land.

(ii) The Local Transportation Corridor Preservation Fund shall only be used to preserve a highway corridor that is right-of-way:

(A) in a county of the first or second class for a:

(I) state highway;

(II) a principal arterial highway as defined in Section 72-4-102.5;

(III) a minor arterial highway as defined in Section 72-4-102.5; or

(IV) a collector highway in an urban area as defined in Section 72-4-102.5; or

(B) in a county of the third, fourth, fifth, or sixth class:

(I) state highway;

(II) a principal arterial highway as defined in Section 72-4-102.5;

(III) a minor arterial highway as defined in Section 72-4-102.5;

(IV) a major collector highway as defined in Section 72-4-102.5; or

(V) a minor collector road as defined in Section 72-4-102.5.

615 ~~[(iv)]~~ (iii) The Local Transportation Corridor Preservation Fund may not be used for a
616 transportation corridor that is primarily a recreational trail as defined under Section
617 63-11a-101.

618 (b) (i) The department shall develop and implement a program to educate highway
619 authorities on the objectives, application process, use, and responsibilities of the Local
620 Transportation Corridor Preservation Fund as provided under this section to promote the most
621 efficient and effective use of fund monies including priority use on designated high priority
622 corridor preservation projects.

623 (ii) The department shall develop a model transportation corridor property acquisition
624 policy or ordinance that meets federal requirements for the benefit of a highway authority to
625 acquire real property or any interests in real property under this section.

626 (c) The department shall authorize the expenditure of fund monies after determining
627 that the expenditure is being made in accordance with this section from applications that are:

628 (i) made by a highway authority; ~~[and]~~

629 (ii) endorsed by the council of governments~~[-]; and~~

630 (iii) for a right-of-way purchase for a highway authorized under Subsection (6)(a)(ii).

631 (7) (a) (i) A council of governments may establish a council of governments
632 endorsement process which includes prioritization and application procedures for use of the
633 monies allocated to each county under this section.

634 (ii) The endorsement process under Subsection (7)(a)(i) may include review or
635 endorsement of the preservation project by the:

636 (A) metropolitan planning organization if the county is within the boundaries of a
637 metropolitan planning organization; or

638 (B) the department if the county is not within the boundaries of a metropolitan
639 planning organization.

640 (b) All fund monies shall be prioritized by each highway authority and council of
641 governments based on considerations, including:

642 (i) areas with rapidly expanding population;

643 (ii) the willingness of local governments to complete studies and impact statements
644 that meet department standards;

645 (iii) the preservation of corridors by the use of local planning and zoning processes;

(iv) the availability of other public and private matching funds for a project;

(v) the cost-effectiveness of the preservation projects;

(vi) long and short-term maintenance costs for property acquired; and

(vii) whether the transportation corridor is included as part of:

(A) the county and municipal master plan; and

(B) (I) the statewide long range plan; or

(II) the regional transportation plan of the area metropolitan planning organization if one exists for the area.

(8) (a) Unless otherwise provided by written agreement with another highway authority, the highway authority that holds the deed to the property is responsible for maintenance of the property.

(b) The transfer of ownership for property acquired under this section from one highway authority to another shall include a recorded deed for the property and a written agreement between the highway authorities.

(9) (a) The proceeds from any bonds or other obligations secured by revenues of the Local Transportation Corridor Preservation Fund shall be used for the purposes authorized for funds under this section.

(b) The highway authority shall pledge the necessary part of the revenues of the Local Transportation Corridor Preservation Fund to the payment of principal and interest on the bonds or other obligations.

(10) (a) A highway authority may not apply for monies under this section unless the highway authority has:

(i) a transportation corridor property acquisition policy or ordinance in effect that meets federal requirements for the acquisition of real property or any interests in real property under this section; and

(ii) an access management policy or ordinance in effect that meets the requirements under Subsection 72-2-117(9).

(b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a written agreement with the department for the acquisition of real property or any interests in real property under this section.

Section 8. Section **72-2-121** is amended to read:

72-2-121. County of the First Class State Highway Projects Fund.

(1) There is created a special revenue fund entitled the ~~[Public Transportation System Tax Highway]~~ County of the First Class State Highway Projects Fund.

(2) The fund consists of monies generated from the following revenue sources:

(a) any voluntary contributions received for new construction, major renovations, and improvements to ~~[Interstate 15 and]~~ state highways within a county of the first class;

(b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)(ii) deposited in or transferred to the fund ~~[through an interlocal agreement]; [and]~~

(c) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii) and required by Subsection 59-12-1703(7)(b)(ii) to be deposited in or transferred to the fund~~[-];~~ and

(d) a portion of the local option transportation corridor preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited in or transferred to the fund.

(3) (a) The fund shall earn interest.

(b) All interest earned on fund monies shall be deposited into the fund.

(4) The executive director may use fund monies~~[-, as prioritized by the Transportation Commission; (a) for the portion of the monies generated from the revenue sources described in Subsections (2)(a) and (b);]~~ only [for];

(A) to pay debt service and bond issuance costs for bonds issued under Section 63B-16-101; and

(B) for right-of-way acquisition, new construction, major renovations, and improvements to ~~[Interstate 15 and]~~ state highways within a county of the first class and to pay any debt service and bond issuance costs related to those projects~~[-, and].~~

~~[(b) for the portion of the monies generated from the revenue sources described in Subsection (2)(c), only for state highway corridor preservation for new state highway projects within a county of the first class, to pay any debt service and bond issuance costs related to those projects, and shall not supplant monies already designated for state projects.]~~

(5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the fund and bond proceeds from bonds issued under Section 62B-16-101 are considered a local matching contribution for the purposes described under Section 72-2-123.

~~[(5)]~~ (6) The additional administrative costs of the department to administer this fund

708 shall be paid from the monies in the fund.

709 Section 9. **Effective date.**

710 This bill takes effect on July 1, 2007.

H.B. 158 4th Sub. (Green) - Amendments to Transportation Provisions

Fiscal Note

2007 General Session

State of Utah

State Impact

A general obligation bond of \$100,000,000 (plus issuance costs) will be issued for a highway project in the Mountain View Corridor. Assuming a standard fifteen-year repayment period with flattened payments at today's interest rates, there will be fifteen annual payments from the Transportation Fund of approximately \$8.7 million each beginning with FY 2009, plus first year interest costs of \$1.9 million in FY 2008. The actual debt service schedule will vary according to how the bond is structured.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
Transportation Fund	\$0	\$1,900,000	\$8,700,000	\$0	\$0	\$0
Bonding	\$0	\$0	\$0	\$0	\$100,000,000	\$0
Total	\$0	\$1,900,000	\$8,700,000	\$0	\$100,000,000	\$0

Individual, Business and/or Local Impact

Enactment of this bill will earmark revenues from the County Option Mass Transit, the County Option Corridor Preservation Sales Tax, and the Local Corridor Preservation Fee to the Mountain West Corridor after current bond obligations are paid off.